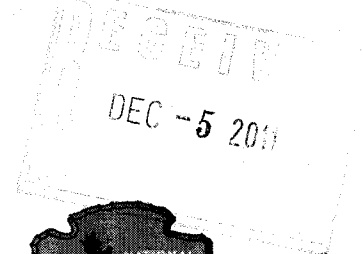


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**RECEIVED** United States Department of the Interior  
NATIONAL PARK SERVICE

DEC -5 P 12:50

Montezuma Castle and Tuzigoot National Monuments

Post Office Box 219

527 S. Main Street

Camp Verde, Arizona 86322



CORP COMMISSION  
DOCKET CONTROL

IN REPLY TO:

N3041

December 1, 2011

Arizona Corporation Commission

**DOCKETED**

DEC - 5 2011

Ernest G. Johnson, Executive Director  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix AZ 85007

DOCKETED BY	<i>mn</i>
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Re: This is in reference to Montezuma Rimrock Water Company Docket #W-04254A-08-0361 and #W-04254A-08-0362

Dear Mr. Johnson,

Information has reached us that Montezuma Rimrock Water Company (MRWC) is asking the Arizona Corporation Commission (ACC) for an operating lease to fund the arsenic treatment facility. The National Park Service maintains its belief that an Environmental Impact Statement (EIS) should be completed by MRWC and that ACC should have a full evidentiary hearing for any type of funding for the potential arsenic treatment facility.

In February 2010, I was contacted by MRWC owner Patsy Olsen about her need to complete an Environmental Information Document (EID). Subsequently, I talked to Sara Konrad, Environmental Program Supervisor, Water Infrastructure and Finance Authority (WIFA), who informed me that Ms. Olsen was required to prepare an EID.

WIFA uses the EID to initiate the National Environmental Policy Act to identify the proposed project's environmental consequences and measures that will be taken to reduce negative impacts. The EID requirements are intended to document the environmental effects of proposed drinking water and wastewater infrastructure projects. When the EID is in compliance with WIFA's regulations, the agency will adopt it as the project's Environmental Assessment to support the request for funding and determine a finding only when the document indicates that there will be no significant impacts on the environment. If there is doubt, WIFA will require an environmental impact statement.

On November 8, 2010, the National Park Service provided comments to WIFA on MRWC's environmental information document about the arsenic facility installation (see attachment). WIFA had the EID reviewed by an independent engineering firm and the Environmental Protection Agency. Both recommended that an EIS be done. WIFA agreed with the findings


and required an EIS for funding the grant. As a consequence, MRWC chose to seek other funding methods for the project.

The position of the National Park Service is that the project requires an EIS to properly identify and analyze the environmental effects of the proposed well, and detail mitigation measures if needed. As stated in our November 2010 letter to WIFA, we believe that people need safe potable water. Our concerns for the project are with the cumulative effects of the new well. The MRWC's EID did not use accurate numbers to show the current situation on the regional groundwater. Data we obtained from US Geological Survey and our domestic well showed twice the annual decline, i.e., 5.0 feet compared to 2.55 feet in the EID document. The location of MRWC Well #4 is close to Wet Beaver Creek and would affect local groundwater and surface creek flows.

Furthermore, with that level of decline in groundwater levels, we are anticipating that the commercial wells would also need to be drilled deeper to access groundwater than was analyzed. If the well was drilled deeper into the lower unit of the regional aquifer with rock units of the Paelozoic section, we anticipate that this could affect the unique water feature in Montezuma Well (unit of Montezuma Castle National Monument).

We request that the Arizona Corporation Commission hold an evidentiary hearing on MRWC's request for an operating lease to fund the arsenic treatment facility. For the protection of the environment and a comprehensive understanding of cumulative effects, we urge that Montezuma Rimrock Water Company be required to complete an Environmental Impact Statement as a condition of funding the project.

Sincerely,



Kathy M Davis  
Superintendent